



CITY OF HOUSTON

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Why The Binding Arbitration Bill is Bad for Houston By Houston Mayor Sylvester Turner

Working with Houston City Council, we have committed to an 18 percent raise over three years for Houston Firefighters. As budget workshops commence in May for the last budget of my administration, we are looking to fund the third straight six percent increase for Houston firefighters as part of our Fiscal Year 2024 budget that takes effect July 1st.

It was my hope the next Mayor would have a clean slate to negotiate with our firefighters. But a bill filed in Austin is putting all of this at risk.

Senate Bill 736 by Senator John Whitmire and House sponsor Rep. Mary Ann Perez would immediately begin a 60-day countdown on binding arbitration just as the city budget is being finalized. The bill offers no true workable parameters for the arbitration panel to consider in rendering its decision—the bill's only reference is to an elusive standard--comparable private sector compensation and conditions of work. This stands in stark contrast to the conditions outlined in the voter approved binding arbitration for firefighters passed by voters in San Antonio and Austin.

I want to be clear: we are not against using arbitration as part of the collective bargaining process.

What I am against and am joined by the Greater Houston Partnership in opposing, is having the State of Texas mandate binding arbitration – especially without explicit and reasonable parameters. Senate Bill 736 applies only to Houston. Why?

In Austin and San Antonio, voters approved measures that instructed arbiters to **ONLY** consider public sector comparisons, the consumer price index, revenues available to the city, and impact on taxpayers in determining contract terms.

Senate Bill 736, a two-page bill, affords no such protections for Houston taxpayers.

In fact, as written, the bill would mandate that the terms of binding arbitration would occur on top of the final six-percent pay raise programmed into the FY 2024 budget. The chaos that an unamended Senate Bill 736 would bring to city finances is completely unnecessary.

However, my office has prepared an amendment that would help both sides get what they want. For the City, it would provide a budget calendar that works for this cycle and protections for taxpayers. For firefighters, it would keep the six-percent raise for FY 2024 and allow for binding arbitration to begin in the next city budget.

This amendment would simply add the same protections that taxpayers in Austin and San Antonio have in binding arbitration contracts with their firefighters and schedule that arbitration to begin in 2024.

Beginning next year, a new Mayor will be taking office. Under my amendment, the new Mayor will have six months to plan a budget that builds in the cost of binding arbitration with Houston firefighters. It would provide a runway for the new Mayor to start off on a strong financial footing.

Senator Whitmire has said he is against this amendment. He should change his mind.

Together, working with the Texas Legislature, my administration has worked to reduce an \$8.2 billion pension unfunded liability down to \$2.2 billion in just five years. Other post-employment benefits (OPEB) have been cut in half thanks to the work of City Council and our Administration. Senate Bill 736 would jeopardize this success by injecting additional costs with no respect to our budget calendar.

And why? For what end?

Rep. Mary Ann Perez said in committee that Senator Whitmire would not do anything that would hurt the City of Houston. Amending Senate Bill 736 would prove her right.